

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK

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In re:

SEAN M. MURRAY,

Debtor.

Case No. 17-44157 (ESS)

Chapter 7

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**OBJECTION TO ORDER TO SHOW CAUSE TO CANCEL  
SPECIALIZED LOAN SERVICING, LLC'S SALE AND TO HOLD  
SPECIALIZED LOAN SERVICING IN CONTEMPT**

**TO: THE HONORABLE ELIZABETH S. STONG,  
UNITED STATES BANKRUPTCY JUDGE**

Nationstar Mortgage LLC d/b/a Mr. Cooper ("Nationstar"), by and through its undersigned counsel, submits this Objection in opposition to the Debtor's Application in Support of Order to Show Cause [*Dkt No. 74*] (the "Order to Show Cause"), seeking, among other things, sanctions for violation of this Court's Order [*Dkt. No. 55*] and respectfully states as follows:

1. On August 10, 2017 (the "Petition Date"), the debtor Sean M. Murray (the "Debtor") filed a voluntary petition under Chapter 7 of Title 11 of the United States Code (the "Bankruptcy Code").

2. On the Petition Date, Nationstar was the servicer to the holder of a certain Promissory Note in the principal amount of \$195,600.00 (the "Note") and Security Agreement (the "Security Agreement," together with the Note and related loan documents, the "Loan") securing payment of the Loan with a perfected security interest on the Debtor's cooperative unit located at 3251 79<sup>th</sup> Street, Unit 4E, Jackson Heights, NY 11372 (the "Unit").

3. Debtor received his discharge on December 8, 2017.

4. Subsequently, effective as of December 18, 2017, the Debtor's Loan was service transferred from Nationstar to the successor servicer, SLS.

5. The Chapter Trustee's Report of No Distribution was docketed on January 15, 2018.

6. On February 23, 2018, the Court entered an Order directing the Debtor and Nationstar to engage in the Court's loss mitigation Program. As referenced above, the servicer for the Loan was transferred from Nationstar to SLS as of the date of the Order.

7. On March 6, 2018, Ehret Anne Van Horn of the law firm of Gross Polowy, LLC filed a Notice of Appearance on behalf SLS.

8. Gross Polowy, LLC and has been representing SLS in connection with the pending Loss Mitigation.

9. By Order, dated April 10, 2018, the Court ordered "Nationstar Mortgage LLC, d.b.a. Mr. Cooper d.b.a. Specialized Loan Servicing" to participate in the Loss Mitigation Program.

10. Based upon information and belief, SLS is not affiliated with Nationstar.

11. The Order is incorrect since SLS and Nationstar are two separated entities and SLS is not the d/b/a for Nationstar.

12. As explained in Nationstar's objection, dated April 3, 2018, to one of Debtor's prior contempt motions, effective as of December 18, 2017, the Debtor's Loan was service transferred to the successor servicer, SLS and thus Nationstar no longer services the Debtor's loan.

13. By letter, dated April 18, 2018 [*Dkt No. 62*], Gross Polowy provided a status report indicate that SLS has approved the Debtor for a trial payment plan with payments beginning April 1, 2018 through June 1, 2018.

14. The Debtor filed the Order to Show Cause on July 5, 2018 seeking an Order to cancel SLS' sale of Debtor's property and to hold SLS in contempt of court, seeking sanctions,

costs and punitive/treble damages for failing to participate in loss mitigation in good faith by scheduling a sale of Debtor's property in violation of the Order [*Dkt No. 55*] directing the Debtor, Nationstar and SLS to participate in loss mitigation.

15. The Order Scheduling Hearing on Application for an Order to Show Cause [*Dkt No. 75*] (the "Order") directs the undersigned law firm to be served with the Order to Show Cause and that oppositions be filed by July 19, 2018 at 4:00 pm.

16. The law firm of Gross Polowy, LLC has filed a letter, dated July 26, 2018, confirming the adjournment of the Order to Show Cause from July 26, 2018 to August 9, 2018 at 2:30 PM. [*Doc. No. 78*].

17. Nationstar requests that the Order to Show Cause be denied with respect to any relief against Nationstar since Nationstar is no longer the servicer of the Loan. Effective as of December 18, 2017, the Debtor's Loan was service transferred to the successor servicer, SLS and SLS has been handling the Debtor's application for loan modification.

**WHEREFORE**, Nationstar respectfully submits this Objection to the Order to Show Cause, requests that the Order to Show Cause be denied with respect to the relief sought against Nationstar, and for such other and further relief as the Court may deem just and proper.

Dated: July 19, 2018  
Westbury, New York

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**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that on July 19, 2018, I caused the foregoing Objection to the Order to Show Cause to be electronically filed with the Clerk of Court by using the CM/ECF system, and true and correct copies have been served via regular mail on the following parties:

Sean M. Murray  
3251 79<sup>th</sup> Street, Unit 4E  
Jackson Heights, NY 11372

Att: Dennis Jose, Esq.  
Gross Polowy, LLC  
1775 Wehrle Drive, Suite 100  
Williamsville, New York 14221

Richard J. McCord, Esq., Chapter 7 Trustee  
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United States Trustee  
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